

APPROVED
MINUTES OF THE REGULAR MEETING OF THE
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY

Wednesday, December 6, 2006

2-A

The meeting convened at 7: 22 p.m. with Chair Johnson presiding.

1. ROLL CALL

Present: Beverly Johnson, Chair of Alameda
Marie Gilmore, Boardmember, City of Alameda
Doug deHaan, Boardmember, City of Alameda
Frank Matarrese, Boardmember, City of Alameda
Tony Daysog, Boardmember, City of Alameda

2. CONSENT CALENDAR

2-A. Approval of the minutes of the Regular Meeting of November 1, 2006.

2-B. Approval of Sublease for Architectural Glass and Aluminum at Alameda Point.

2-C. Approval of a 7.5-year lease with Area 51 (retroactive to October 2005), including a Workout Plan as Conditions of the New Lease for Hangar 24.

Approval of the Consent Calendar was motioned by Member deHaan, seconded by Member Daysog and passed by the following voice vote: Ayes – 5; Noes – 0; Abstentions – 0.

3. REGULAR AGENDA ITEMS

3-A. Alameda Point Project Update

David Brandt, Deputy Executive Director, gave an update of the Alameda Point RFQ process. Responses were due by 5:00 p.m. on December 4, 2006. Five development firms/partnerships submitted proposals: Catellus, Corky McMillin, Lennar Urban, SunCal Companies, and United World Infrastructure. A press release with this information was distributed today, Dec. 6th.

Staff will be providing the Board with fairly elaborate investigation and dossier-level information on each of the development firms, with qualitative evaluation resulting in a numerical ranking. Evaluations will be completed and presented to the Board in February.

Chair Johnson clarified that the ARRA is not required to accept any of the proposals and that the decision is the ARRA's and not the Navy's. She had concerns that the \$1M earnest money is a fairly small amount of risk and wanted to make sure any proposed developer has the ability and willingness to go forward on the \$108M deal, and not try to renegotiate it. She cited the former master developer spent almost \$10M and was still not able to proceed.

David Brandt stated that we'll do our best to evaluate the developer's ability to execute development, focusing less on their proposed plan and probe why they believe they can do the deal that has been negotiated.

Member Daysog discussed the status of the no-cost EDC analysis. David Brandt responded that staff has presented the Board with a non-agenda memo that analyzed different conveyance options, including the existing no-cost EDC and that there are significant hurdles to going back. He explained that it's not necessarily impossible, but it's certainly not a sure thing that if we revised our numbers and go back to the original plan, that we would be able to get the Navy to convey based on that plan; that we cannot hold the Navy to it.

Chair Johnson said it's important to note to prospective developers that we are not committed to a certain number of housing units – they need to see if this financial deal works even if we say we're going to reduce the number of housing units. David Brandt stated that we were clear to inform them that the PDC, which the pro forma numbers were based on, is not an entitlement.

Member Daysog asked if the memo references the fact that the EDC is a signed contract. David Brandt explained that, in military re-use law, you cannot get specific performance from a contract from the Federal Govt., so even if we were to establish that they breached it, it's not technically enforceable in court. Those agreements are enforceable politically, but not legally.

David Brandt stated that the five proposals will be made available to the public and will be posted on the Alameda Point website (www.alameda-point.com) in a few days.

The Board congratulated staff on receiving the five proposals. They agreed that the response demonstrates that Alameda Point is a viable project.

No action was taken on this item – it was an update and for informational purposes only.

4. ORAL REPORTS

4-A. Oral report from Member Matarrese, RAB representative.

At the last RAB meeting there was a presentation on Site 2 Feasibility Study and Site 1 Proposed Remediation Plan. The RAB came to the same conclusion the ARRA did regarding the scoop and haul as the preferred method of clean-up vs. an engineered cap (as discussed at the Nov. 1 ARRA meeting), citing a comment letter from the RAB that stated, "complete removal is the only acceptable solution for soil in Area 1A". Member Matarrese requested that staff bring all environmental studies comments and preferred options to the ARRA Board before submitting to the Navy. He does not want the comments to be handled administratively (by staff) as was always done previously – but rather, would like the ARRA Board to have the opportunity to vote on a recommendation.

5. ORAL COMMUNICATIONS, NON-AGENDA (PUBLIC COMMENT)

There were no speaker slips.

6. COMMUNICATIONS FROM THE GOVERNING BODY

Chair Johnson, along with the other Boardmembers, thanked Member Daysog for all his hard work over the past 12 years, as this is his last ARRA meeting.

7. ADJOURNMENT

Meeting was adjourned at 7:47 p.m.

Respectfully submitted,

Irma Glidden
ARRA Secretary